

## Senate Bill 77 Summary

The 2011 Kansas Legislative session has come to an end, and with its conclusion the passage of Senate Bill 77 was recently signed into law by Governor Sam Brownback. SB77 contains many provisions affecting Kansas employers and employees, some of which became effective as of May 19, 2011.

Among its many provisions important to employers is SB 77 addresses issues relating to how the Unemployment Insurance Trust Fund is funded, as well as providing for a mechanism for the state of Kansas to pay interest due on federal loans received to keep the UI Trust Fund solvent and paying benefits during the recent downturn in our economy.

Several provisions of SB 77 will affect how Kansas employers contribute to the Unemployment Insurance Trust Fund. Basic information regarding these changes and how they may affect your business follows. Additional information may be found on the Kansas Department of Labor's Employer web site, [www.KansasEmployer.gov](http://www.KansasEmployer.gov).

Effective immediately, SB 77 requires all Kansas employers who have 50 or more employees on their payroll, or Third-Party Administrators (TPAs) representing clients with 50 or more employees, to file their Quarterly Wage Reports online through the Kansas Department of Labor web site. The next Quarterly Wage Reports will be due Monday, August 1, 2011.

Beginning January 1, 2012, there will be alterations made to the employer's unemployment contribution tax rate, based on the employer's respective positive or negative experience rating. For "positive balance" employers, the contribution rates will be held the same as for Calendar Years 2010 and 2011, and for the next 3 calendar years – until 2014.

For "negative balance" employers, the changes are more significant. Currently there are 10 different rate levels that an employer may fall under – the new law expands this to 20 levels. Also, the previous maximum surcharge for negative balance employers was 2%. The new maximum rate will be 4%, with the increase applied to pay the interest on the federal loans to the Unemployment Insurance Trust Fund.

SB 77 also reinstates the one-week waiting period for those who apply for unemployment benefits. Additionally, unemployment benefits for trailing spouses who leave work due to the relocation of their spouse have been eliminated—except for the spouses of those who are serving in the military.

We hope this information is helpful to our Kansas employers as they plan for the future. Again, additional information is always available by clicking on the Kansas Department of Labor's Employer web site, [www.KansasEmployer.gov](http://www.KansasEmployer.gov).

Also, you can find the text to SB 77 and a summary by visiting the Kansas Legislature's website here, [http://kslegislature.org/li/b2011\\_12/year1/measures/sb77/](http://kslegislature.org/li/b2011_12/year1/measures/sb77/)